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CASE No. .....

Supreme Court of the United States

OCTOBER TERM 1983

IN RE WILCO MARSH BUGGIES & DRAGLINES, INC.,
JOHN M. WILSON, SR., DEAN R. WILSON,
AND ROBERT J. WILSON, JR.,

Petitioners.

ON PETITION FOR ISSUANCE OF WRIT OF MANDAMUS AND PROHIBITION TO REQUIRE THE JUDGES OF THE COURT OF APPEALS FOR THE FIFTH CIRCUIT TO STAY WITHIN THE CONFINES OF THEIR APPELLATE JURISDICTION AND TRANSFER APPEAL NO. 82-3619 TO THE COURT OF APPEALS FOR THE FEDERAL CIRCUIT

PETITION AND BRIEF ON BEHALF OF PETITIONERS

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QUESTION PRESENTED FOR REVIEW

Whether, after October 1, 1982, the effective date of the Federal Courts Improvement Act of 1982 (hereinafter the "1982 Act"), a regional federal circuit court of appeals such as the United States Court of Appeals for the Fifth Circuit may take jurisdiction of a patent appeal timely filed after the effective date of the 1982 Act contrary to the provisions of 28 U.S.C. § 1295 which vests exclusive jurisdiction over such appeals with the United States Court of Appeals for the Federal Circuit?

PARTIES TO THE PROCEEDING

In addition to the named Petitioners, the parties to this proceeding include the panel of Judges of the Court of Appeals for the Fifth Circuit who refused to transfer Appeal No. 82-3619 to the Court of Appeals for the Federal Circuit contrary to Petitioners' motion, including the Honorable Judges Rubin, Garwood and Jolly, and the Appellees in Appeal No. 82-3619 who include Kori Corporation, Huey J. Rivet and Louis Woodson. Two other corporations are owned by the individual Defendants which are affiliated with, but not owned by, the corporate Defendant. Both corporations are organized and existing under the laws of the State of Louisiana. One is known as Amphibious Equipment Sales Corporation and the other as Dino's Marsh Buggies and Draglines, Inc. Both of these corporations are presently inactive.

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RELATED OPINIONS DELIVERED BELOW

The trial court's interlocutory decision finding the patent valid and infringed and granting injunctive relief, and a final decision determining and awarding damages, is reported as *Kori Corp.* v. *Wilco Marsh Buggies & Draglines, Inc.*, 561 F. Supp. 512 (E.D. La. 1982). (A. 39)* The Court of Appeals for the Fifth Circuit's decision and opinion affirming the trial court's interlocutory decision on patent validity and infringement and grant of injunctive relief is reported at 708 F.2d 151 (June 27, 1983). (A. 62) The appeal which Petitioners seek to have transferred to the Court of Appeals for the Federal Circuit, Appeal No. 82–3619, is taken from the trial court's final decision of August 30, 1982 (561 F. Supp. 512) assessing and awarding damages against Petitioners for patent infringement.

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* Letter "A" refers to the Appendix which contains materials essential and helpful to an understanding of this petition.

THE SUPREME COURT'S JURISDICTION

On September 2, 1983, the United States Court of Appeals for the Fifth Circuit (hereinafter the "Fifth Circuit") denied your Petitioners' motion to transfer Appeal No. 82-3619, pursuant to 28 U.S.C. § 1631, to the United States Court of Appeals for the Federal Circuit (hereinafter the "CAFC"). Because the CAFC has exclusive jurisdiction under 28 U.S.C. § 1295 over all patent appeals filed after October 1, 1982 where the trial court's jurisdiction was based in whole or in part upon 28 U.S.C. § 1338, as here, the Fifth Circuit does not have jurisdiction to retain and determine the instant appeal. Pursuant to authority under the All Writs Act, 28 U.S.C. § 1651, the Supreme Court of the United States has jurisdiction to order the Fifth Circuit to transfer Appeal No. 82-3619 to the CAFC, and to refrain from further consideration of this appeal.

STATUTES AND RULES IN ISSUE

The following statutes and rules are in issue and, due to their length, are included pursuant to Supreme Court Rule 21 in the Appendix (A. 223):

1. 28 U.S.C. § 1291 (1958)
2. 28 U.S.C. § 1291 (1982)
3. 28 U.S.C. § 1292 (1958)
4. 28 U.S.C. § 1292 (1982)
5. 28 U.S.C. § 1295 (1982)
6. 28 U.S.C. § 1338
7. 28 U.S.C. § 1631
8. 28 U.S.C. § 1651
9. 28 U.S.C. § 2107
10. Rules 1-4 of the Federal Rules of Appellate Procedure.
11. Rule 10 of the United States Court of Appeals for the Federal Circuit.
12. Rules 1–4 of the United States Court of Appeals for the Fifth Circuit.
13. Federal Courts Improvement Act of 1982 § 402, entitled "Effective Date" and § 403 entitled "Effect On Pending Cases", 96 Stat. 57-58.

CASE No. .....

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PETITION AND BRIEF ON BEHALF OF PETITIONERS

I.

STATEMENT OF THE CASE

On September 20, 1979, Huey J. Rivet, the patentee of United States Letters Patent No. 3,842,785 (A. 216), Louis Woodson, the exclusive licensee under the patent, and the Kori Corporation, a nonexclusive licensee under the patent, joined as Plaintiffs and filed a complaint in the United States District Court for the Eastern District of Louisiana (hereinafter the "trial court") for patent infringement seeking injunctive and monetary relief against Wilco Marsh Buggies and Draglines, Inc., John M. Wilson, Sr., Dean R. Wilson and Robert J. Wilson, Jr., as Defendants, the Petitioners before this Court.[1] 561 F.

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[1] These Defendants are also the Appellants in the second appeal, No. 82-3619 which is the appeal in issue. The Defendants/Appellants/Petitioners will, hereinafter, be referred to as the "Petitioners".

Supp. at 514. (A. 41) The trial court's jurisdiction was based upon 28 U.S.C. § 1338. 561 F. Supp. at 520. Adopting a bifurcated format, the trial court first entered an interlocutory decision on December 11, 1981, finding the '785 patent valid and infringed and granting injunctive relief. This decision was appealed to the Fifth Circuit pursuant to the jurisdictional statutes extant at that time, 28 U.S.C. § 1292(a)(1) and (a)(4) (1958).[2] The Fifth Circuit affirmed these interlocutory decisions on June 27, 1983. 708 F.2d 151.

Meanwhile, during the pendency of that first appeal, because the Petitioners were unable to post a bond pursuant to Rule 62(c) of the Federal Rules of Civil Procedure (hereinafter "FRCP"), trial was resumed to assess and award damages. A final decision awarding damages was rendered on August 30, 1982. 561 F. Supp. 512. (A. 39) Petitioners filed a timely motion for new trial which was overruled on October 12, 1982. Thereafter, on October 13, 1982, Petitioners filed a timely notice of appeal. *See* 28 U.S.C. § 2107. However, contrary to the provisions of Rule 3(c) of the Federal Rules of Appellate Procedure (hereinafter the "FRAP"), Petitioners erroneously indicated that Appeal No. 82-3619, the second appeal, was to be taken to the Fifth Circuit instead of the CAFC. In due course, the record was transmitted to the Fifth Circuit, Petitioners' main brief was filed and Plaintiffs'/Appellees' brief was filed. Plaintiffs/Appellees recognized the problem of having this appeal determined by the Fifth Circuit and, as a preface to their brief, made the following statement:

> This appeal was docketed on October 18, 1982. 28 U.S.C. § 1295 states that all patent appeals docketed after October

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[2] Pursuant to the Federal Courts Improvement Act of 1982, 28 U.S.C. § 1292 was amended to essentially provide that appeals from interlocutory decisions on patent validity and infringement and from entry of interlocutory orders of trial courts granting injunctions in patent cases shall, as of October 1, 1982, the effective date of the 1982 Act, be heard exclusively in the newly created United States Court of Appeals for the Federal Circuit. 28 U.S.C. § 1292(c) (1982).

1, 1982 should be filed in the Court of Appeals for the Federal Circuit ("C.A.F.C."). However, the C.A.F.C. has advised the appellees that an exception exists for accounting trials if an Appellate Court already has jurisdiction over the validity and infringement phase of the litigation. For that reason, the Court of Appeals for the Federal Circuit has advised the appellees that the Fifth Circuit Court of Appeals has jurisdiction over this accounting appeal. This exception would make sense since the matter has been decided using Fifth Circuit law, and because the judges of the Fifth Circuit are intimately familiar with the case after having rendered the related validity and infringement decision between the same parties in *Kori* v. *Wilco Marsh Buggies & Draglines, et al*, Appeal No. 82-3004, decision published June 27, 1983 affirming the validity and infringement of the Rivet patent.

Thereafter, in late July of 1983, Petitioners released their former counsel, Mr. Nathan Greenberg, who was not a patent attorney, and retained Mr. Ned L. Conley, the present attorney of record, who is a patent attorney. Realizing that an error had been committed in naming the Fifth Circuit in the notice of appeal as the court to which appeal was to be taken, Petitioners, on July 28, 1983, filed a motion to transfer Appeal No. 82-3619 to the CAFC pursuant to 28 U.S.C. § 1631 (1982). (A. 7) However, on September 2, 1983, believing that the Fifth Circuit possessed jurisdiction to consider this appeal, a panel of Judges of the Fifth Circuit, including the Honorable Judge Rubin, Judge Garwood and Judge Jolly, denied Petitioners' motion to transfer. (A. 1) Because exclusive jurisdiction over all patent appeals was vested by Congress with the CAFC in all instances where a notice of appeal is filed after October 1, 1982, as here, Petitioners filed this Petition seeking issuance of a writ of mandamus to require the Fifth Circuit to transfer this appeal to the CAFC pursuant to 28 U.S.C. § 1631, and a writ of prohibition to prevent the Fifth Circuit from further consideration of this appeal beyond the limits of the statutory jurisdiction set forth in 28 U.S.C. §§ 1291, 1292 and 1295 (1982). *See* 28 U.S.C. § 1651.

II.

THE CAFC, AND NOT THE FIFTH CIRCUIT, HAS JURISDICTION OVER APPEAL NO. 82-3619

A. Petitioners' Position

Petitioners' position is simple. Effective October 1, 1982, a new federal circuit court of appeals was created known as the United States Court of Appeals for the Federal Circuit, the CAFC. Congress granted exclusive jurisdiction over all patent appeals, *i.e.*, appeals from federal district courts where the district court's jurisdiction was based in whole or in part on 28 U.S.C. § 1338, to the CAFC. 28 U.S.C. §§ 1292(c), 1295 (1982). The triggering event for CAFC jurisdiction is the filing of a notice of appeal after the effective date of the 1982 Act. Federal Courts Improvement Act of 1982 §§ 402, 403(e), 96 Stat. 57-58. (A. 223) Because the notice of appeal in Appeal No. 82-3619 was filed after October 1, 1982, the CAFC and not the Fifth Circuit has exclusive jurisdiction over this appeal.

B. Fifth Circuit's Position

The Fifth Circuit's position is more subtle. When denying Petitioners' motion to transfer, the Fifth Circuit focused on a limited exception to the effective date of the 1982 Act for pending appeals, Section § 403(e) of the implementing legislation, and concluded:

> . . . that "case" as used in section 403(e) of Public Law 97-164 refers to the case, or judicial unit, pending in the district court, and that in this instance there was but one such case, namely, Civil Action No. 79-3636 in the United States District Court for the Eastern District of Louisiana. Notice of appeal in that case, which brought forward for appellate review the controlling issues of patent validity and infringement by defendants-appellees, was filed in December 1981, well before the effective date of Public Law 97-164, and those issues have been resolved by this Court's prior opinion herein. We observe that in the present appeal [Appeal No. 82-3619], appellants' contentions appear to involve, *inter alia*, questions of the scope of the infringement as applied to

> various products, thus potentially implicating the scope of our prior decision herein. Up until this point all parties obviously proceeded on the assumption that this Court had jurisdiction and that the accounting "tail" did not wag the dog. We believe that assumption was correct. Appellants' motion is DENIED.

(Bracketed material added)(A. 5-6).

Simply stated, the Fifth Circuit interprets § 403(e) to mean that if any notice of appeal has been filed prior to October 1, 1982 seeking review of an earlier interlocutory decision by a district court, then the respective regional circuit court of appeals retains exclusive jurisdiction over all appeals from future interlocutory and final decisions to be rendered by that district court after the effective date of the 1982 Act if the prior appeal decided "controlling issues" or if the "scope" of the decision in the prior appeal may "potentially" be implicated by the future appeal. Petitioners respectfully disagree. At this point, some background is necessary.

C. Background

Patent proceedings before district courts are frequently bifurcated: one interlocutory decision is rendered on validity and infringement which, as here, may result in issuance of an interlocutory grant of an injunction against further infringement, and one final decision is rendered assessing and awarding damages. All of the latter decisions are appealable. Under the former law, the interlocutory decision on patent validity and infringement was immediately appealable under 28 U.S.C. § 1292(a)(4) (1958), the interlocutory decision granting an injunction was immediately appealable under 28 U.S.C. § 1292(a)(1) (1958) and the final decision was appealable under 28 U.S.C. § 1291 (1958) to the respective regional circuit court of appeals. After October 1, 1982, the effective date of the 1982 Act, the indicated interlocutory decisions are immediately appealable under 28 U.S.C. § 1292(c) (1982) and the final decision is appealable under 28 U.S.C. § 1295 (1982) to the CAFC.

As referenced above by the Fifth Circuit, an interlocutory decision on validity and infringement and an interlocutory decision granting an injunction were issued in December of 1981. Those decisions were appealed to the Fifth Circuit and the Fifth Circuit opinion affirming those decisions is published at 708 F.2d 151 (June 27, 1983). (A. 62) Neither of those two decisions nor the issues raised in those decisions are now being raised in Appeal No. 82-3619. Petitioners are not attempting to collaterally attack or obtain a collateral review of the prior Fifth Circuit opinion. The final decision assessing and awarding damages was rendered in August of 1982. After denial of a motion for new trial and because Petitioners disagreed with the trial court's method of assessing damages, a timely notice of appeal from that decision was filed on October 13, 1982. This is Appeal No. 82-3619 which Petitioners seek to have transferred to the CAFC.

D. Analysis

There can be no dispute that only one appellate court — either the Fifth Circuit or the CAFC — has exclusive jurisdiction over this appeal. Prior to the effective date of the 1982 Act, patent appeals from district courts were taken to the respective regional federal circuit court of appeals; the CAFC was not in existence. *See* 28 U.S.C. §§ 1291, 1292 (1958). After the effective date of the 1982 Act, the CAFC came into being and was given *exclusive* subject matter jurisdiction over all patent appeals from all decisions by district courts. *See* 28 U.S.C. §§ 1292, 1295 (1982).

Resolution of the controversy, therefore, between Petitioners and Respondents depends upon the effective date of the 1982 Act. The effective date of the 1982 Act which is set forth in Sections 402 and 403 of the implementing legislation. 96 Stat. 57-58. Section 402 plainly states that the 1982 Act takes effect on October 1, 1982. The only exception to the effective date for patent appeals pending in regional circuit courts of appeals, is for appeals in which a notice of appeal has been filed prior to the effective date of the 1982 Act. *See* § 403(e). The plain meaning

of this implementing legislation is that for all patent appeals in which a notice of appeal is filed after the effective date of the 1982 Act, such appeals are governed by the provisions of the 1982 Act and fall within the exclusive jurisdiction of the CAFC. Further, all factors which bear on a reading of the intent of Congress support Petitioners' position that the CAFC, and only the CAFC, has jurisdiction over patent appeals filed after October 1, 1982. These factors include the statements contained in the Senate and House Committee Reports accompanying the 1982 Act which caution the regional circuit courts of appeals and the CAFC to strictly construe their respective jurisdictions and which set forth the objectives of Congress when enacting the legislation.

1. Plain Meaning

Section 402 of the implementing legislation (96 Stat. 57) is straightforward and provides that the 1982 Act shall take effect on October 1, 1982.[3] Absent any other provisions, all appeals pending in the regional federal circuit courts of appeals in whatever form and at whatever point in the proceedings which would fall within the exclusive jurisdiction of the CAFC (28 U.S.C. § 1295) (1982) would be required to be immediately transferred to the CAFC. However, in the interest of providing "for the orderly disposition of cases pending on the effective date of the bill," Congress enacted Section 403 of the implementing legislation. Senate Report No. 97-175, 97th Cong. 2nd Sess., 1982 U.S. Code Cong. & Adm. News 11, 41 (A. 97). This section sets forth certain limited exceptions to the effective date of the 1982 Act for pending appeals. Subsection (e) of § 403 is the only exception applicable to appeals pending before the regional

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[3] Section 402 (96 Stat. 57) provides as follows:

EFFECTIVE DATE

Sec. 402. Unless otherwise specified, the provisions of this Act shall take effect on October 1, 1982.

circuit courts of appeals.[4] That exception plainly refers to pending appeals and indicates that if a notice of appeal has been filed before the effective date of the 1982 Act, then that appeal "shall be decided by the court of appeals to which *the* appeal was taken." (Emphasis supplied.) Absent filing a notice of appeal for the appeal in issue to a regional circuit court of appeals prior to October 1, 1982, there is no other exception to the effective date of the 1982 Act. As a result, because there is no exception to Section 402 for appeals in which a notice of appeal has been filed after the effective date of the 1982 Act, such an appeal must, under Section 402, be decided by the CAFC.

As explained by the Committee Report issued by the House of Representatives, these implementing provisions relating to pending cases are "fairly detailed because it is the view of the Committee that ambiguities as to effect on pending cases ought to be reduced to a minimum." House Report No. 97-312, 97th Cong. 1st Sess. (1981), p. 50. (A. 186) From the Petitioner's perspective, there are no ambiguities. The only factor to be considered is when the notice of appeal is filed. If after October 1, 1982, then the CAFC has exclusive jurisdiction. The test for jurisdiction begins and ends with this single inquiry. However, if the Fifth Circuit's position is upheld, serious ambiguities will result. Applying the Fifth Circuit's test as quoted above, the date of filing the notice of appeal is the first of many inquiries. The potential appellant would also have to consider factors such as: whether the "controlling issues" had been previously decided in a prior appeal to a regional circuit court of appeals? Whether the "scope" of a prior appellate decision would "potentially" be implicated in the pending appeal? And, whether the case before

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[4] Section 403 (96 Stat. 57-58) provides, in pertinent part, as follows:

EFFECT ON PENDING CASES

* * *

(e) Any case in which a notice of appeal has been filed in a district court of the United States prior to the effective date of this Act shall be decided by the court of appeals to which the appeal was taken.

the district court is part of the same "judicial unit"? If Congress had intended such a complex analysis, certainly Congress would have so stated.

According to the Fifth Circuit, Congress intended a subtle and complex interpretation of the term "case." To the Fifth Circuit, "case", as used in subsection (e), broadly "refers to the case, or judicial unit, pending in the district court," and not more narrowly to a specific appeal pending before the effective date of the 1982 Act. The Fifth Circuit's construction, of course, would give regional circuit courts of appeals jurisdiction over all appeals which are now pending before the CAFC or which might be filed in the future if, at some time prior to the effective date of the 1982 Act, an appeal of some sort — though not presently in issue — had been filed over some aspect of the case. Presumably, this would include prior appeals which had been taken on such interlocutory matters as decisions on motions for summary judgment certified and decided by the regional appellate court perhaps years before the effective date of the 1982 Act, decisions on preliminary and, as here, permanent injunctions, and decisions, as here, on questions of patent validity and infringement. Certainly, if such a large number of exceptions were intended by Congress to the effective date of the 1982 Act, those exceptions would have been clearly and affirmatively set out.[5] This is especially true here where Congress expressly stated that it wished to avoid "ambiguities."

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[5] *Query*: Do the regional circuit courts of appeals become trial courts under the Fifth Circuit's interpretation of Section 403(e)? Section 403(e) states that "Any case in which a notice of appeal has been filed . . . prior to the effective date of this Act shall be decided by the court of appeals to which the appeal was taken." By interpreting "case" to mean any matter "pending in the district court" instead of any appeal pending before the effective date of the 1982 Act, the Fifth Circuit's construction would also, literally, make the regional circuit courts of appeals trial courts for all such remaining matters "pending in the district court."

Query: Does the Fifth Circuit's position eliminate the need for filing a second notice of appeal? Section 2107 of Title 28 requires that a notice of appeal from an appealable decision by a district court be

2. Subject Matter Jurisdiction Must Be Strictly Construed

In order to expand the otherwise limited exception to the 1982 Act's transfer of exclusive jurisdiction over patent appeals to the CAFC, the Fifth Circuit has broadly construed the term "case" in Section 403(e). This broad construction of the Fifth Circuit's jurisdiction is directly contrary to the directives set forth by Congress in both the House and Senate Committee Reports, instructing the circuit courts of appeals not to infer jurisdiction argumentatively but to strictly construe their respective jurisdictions. Those reports make the following statements:

> Section 127(a) of the Act adds a new section 1295 to chapter 83 of title 28, United States Code.
>
> Before discussing the court's jurisdiction, it needs repetition here that the Federal courts are courts of limited jurisdiction. There is no presumption in favor of jurisdiction, and the basis for jurisdiction always must be affirmatively shown. It is not sufficient that jurisdiction merely be inferred argumentatively, *See e.g., Hanford* v. *Davies* 163 U.S. 273 (1896). *Thomas* v. *Board of Trustees of Ohio State Univ.*, 195 U.S. 207 (1904).
>
> * * * *
>
> An analysis of pertinent case law reveals that both the Court of Claims and the Court of Customs and Patent Appeals have strictly construed their own jurisdiction. They have not allowed inferential and unwarranted increases to their own respective jurisdictions. *See e.g., Eastport S.S. Corporation* v. *United States*, 178 CT. CL. 559, 372 F.2d 1002 (1967); *Somali Development Bank* v. *United States*, 705 Ct. Cl. 741, 508 F.2d 817 (1974); *United States* v. *Boe*, 543 F.2d 151 (C.C.P.C. 1976); and *Godtfredsen* v. *Banner*, 598 F.2d 589 (C.C.P.A. 1979). In the rare instance that one

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filed within thirty days of entry of that decision. If the Fifth Circuit's view is correct that once a notice of appeal has been filed over one interlocutory aspect of a case "pending in the district court," the Fifth Circuit retains jurisdiction over all other decisions rendered by the district court, then the statutory requirement for filing a notice of appeal would be eliminated for appeals over other decisions to be rendered in the future by the district court.

> of these courts has mistakenly construed its own jurisdictional grant, the Supreme Court has not hesitated to reverse and remand. *See e.g. United States* v. *Testan*, 424 U.S. 392 (1976); *United States* v. *King*, 395 U.S. 1 (1969).

Senate Report No. 97-275, 97th Cong. 2nd Sess., 1982 U.S. Code Cong. & Adm. News 11, 28-29; House Report No. 97-312, 97th Cong. 1st Sess., p. 40 (1981) (A. 114-15, 176).

> As stated above, it is a canon of construction that courts strictly construe their jurisdiction. Therefore, the committee is confident that the present language will not pose undue difficulties.
>
> The Committee is concerned that the exclusive jurisdiction over patent claims of the new Federal Circuit not be manipulated. This measure is intended to alleviate the serious problems of forum shopping among the regional courts of appeals on patent claims by investing jurisdiction in one court of appeals. It is not intended to create forum shopping opportunities between the Federal Circuit and the regional courts of appeals on other claims.

Senate Report No. 97-275, 97th Cong. 2nd Sess., 1982 U.S. Code Cong. & Adm. News 11, 29-30 (A. 115-116).

> The Committee intends for the jurisdictional language to be construed in accordance with the objectives of the Act and these concerns.

Id. at 30 (A. 116).

The Supreme Court's opinion in the *Hanford* case cited by Congress, *supra*, states:

> It is well settled that, as the jurisdiction of a circuit court of the United States is limited in the sense that it has no other jurisdiction than that conferred by the Constitution and laws of the United States, the presumption is that a cause is without its jurisdiction unless the contrary affirmatively appears; and that it is not sufficient that jurisdiction may be inferred argumentatively from averments in the pleadings, but the averments should be positive. . . . [T]he essential facts averred must show, not by inference or argumentatively, but clearly and distinctly, that the suit is one of which the circuit court is entitled to take cognizance.

163 U.S. at 279-80.

In the *Thomas* case cited by Congress, *supra*, the Court also states:

> That the jurisdiction of a circuit court of the United States is limited in the sense that it has no jurisdiction except that conferred by the Constitution and laws of the United States; that a cause is presumed to be without jurisdiction unless the contrary affirmatively appears; that such jurisdiction, of the facts upon which, in legal intendment, it rests, must be distinctly and positively averred in the pleadings, or should appear affirmatively and with equal distinctness in other parts of the record, it not being sufficient that jurisdiction may be inferred argumentatively: . . . are propositions so firmly established that further discussion of them would be both useless and inappropriate.

195 U.S. at 210.

From the statements made in the Committee Reports and the Supreme Court cases cited by Congress as examples of the results that Congress sought to achieve, Congress has clearly indicated that the statutory grants of and limits on the jurisdiction of the circuit courts of appeals affected by the 1982 Act are to be strictly construed and not expanded through judicial fiat. Contrary to these congressional directives, the Fifth Circuit has refused to follow this canon of strict construction. Accordingly, the Fifth Circuit should be ordered to comply with the mandate issued by Congress and limit its jurisdiction under Section 403(e) of the 1982 Act to appeals pending prior to October 1, 1982.

3. Jurisdiction Must Be Determined to Best Effectuate the Objectives Stated by Congress

In the Committee Reports, Congress stated that its objectives in enacting the 1982 Act, creating the CAFC and endowing that court with exclusive jurisdiction over all patent appeals were to eliminate forum shopping and enhance doctrinal stability of the patent laws.[6] According to Congress, forum shopping between

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[6] House Committee Report No. 97-312, 97th Cong. 1st Sess., at 20-

federal circuit courts of appeals demeans the entire judicial system and is a disincentive to business and research. By promoting doctrinal stability, Congress believes that the economy and industry of the United States will be stimulated and improved.

This decision by the Fifth Circuit will operate to defeat Congress' objectives and delay the effective date of the 1982 Act by years. Patent litigation is frequently protracted and extensive. The present case spanning more than four years is an example of an otherwise promptly resolved patent infringement action. Plaintiffs filed suit on September 20, 1979. The trial court's interlocutory decision finding the patent valid and infringed and granting injunctive relief was rendered on December 11, 1981. The Fifth Circuit affirmed this decision on June 27, 1983. The damages decision was rendered on August 30, 1982. Appeal No. 82–3619 from that decision is now ready for oral argument. However, from the litany of events, it is apparent that many other cases will be affected by this Court's decision which were pending prior to October 1, 1982, and are in varying stages of resolution.[7]

So long as regional circuit courts of appeals continue to retain jurisdiction over appeals filed after the effective date of the 1982 Act and continue to render decisions in those appeals, the objectives of Congress will, quite obviously, be defeated. Further, any decisions rendered by these regional circuit courts of appeals will have no precedential value because they are not binding on the CAFC and will simply act as a drain on resources of the regional circuit courts. *See South Corp.* v. *United States*, 690 F.2d 1368, 215 USPQ 657 (CAFC 1982) (In banc opinion holding that case law of the former CCPA and Appellate Division of Court of Claims will provide precedents for the CAFC).

23, Section subtitled "*The Need for Increased Uniformity in Patent Law* (A. 156-59); Senate Committee Report No. 97-275, 97th Cong. 2nd Sess., 1982 U.S. Code Cong. & Adm. News 11, 15-16 (A. 156-59, 101-02).

[7] *See* Section II, E, *infra*, entitled "Adverse Impact on Pending and Decided Cases."

E. Adverse Impact on Pending and Decided Cases

It is axiomatic that the lack of subject matter jurisdiction of a federal court cannot be waived, but can be asserted as grounds for dismissal at any point in the proceedings either directly in the course of those proceedings or collaterally to bar enforcement of an otherwise proper judgment. *Thomas* v. *Board of Trustees of Ohio State University*, *supra*, 195 U.S. at 211, 213; *Hanford* v. *Davis*, *supra*, 163 U.S. at 279-80. The Fifth Circuit decision, therefore, places Petitioners in a "catch 22" position. Petitioners are confident that a reversal and remand of the trial court's decision assessing and awarding damages is in order based upon fundamental patent law precepts. (A. 68) However, if a reversal and remand is obtained from the Fifth Circuit, that decision, entered without jurisdiction, will have no impact on the otherwise final judgment of the trial court. At the same time, because the time for filing a new notice of appeal has lapsed, Petitioners will be denied their right to appeal to the CAFC. *See Donovan* v. *Richland County Assoc. for Retarded Citizens*, 454 U.S. 389 (1982) (appeal as of right from district court's decision holding statute unconstitutional was to the Supreme Court; Ninth Circuit was without jurisdiction to consider and time to appeal to Supreme Court had lapsed; appeal dismissed); *United States* v. *Wickland*, 619 F.2d 75 (TECA 1980) (under similar circumstances, the Temporary Emergency Court of Appeals determined that the appeal was not timely); *Citronelle Mobile Gathering, Inc.* v. *Gulf Oil Corp.*, 591 F.2d 711 (TECA), *cert. denied* 444 U.S. 879 (1979).

Several other cases either pending before the CAFC or decided by the CAFC presenting factual scenarios which will be impacted by the Fifth Circuit's view of jurisdiction under the 1982 Act are set out below. In each of these cases, if the Fifth Circuit's view is correct, the decisions rendered or to be rendered by the CAFC have been or will be rendered by a court without subject matter jurisdiction.

Three appeals decided by the CAFC and one appeal pending before the CAFC involve bifurcated proceedings which, for

jurisdictional purposes, are identical to those underlying Appeal No. 82-3619. In each of these appeals, a first decision was rendered by a district court finding a patent in issue valid and infringed, which decision was affirmed on appeal to a regional circuit court of appeals and a second decision was rendered by the district court on damages, which second decision was appealed after the effective date of the 1982 Act to the CAFC. The appeals from the damages decisions decided by the CAFC include *Bandag, Inc.* v. *Gerrard Tire Co.*, 704 F.2d 1578, 217 USPQ 977 (CAFC 1983); *Lam, Inc.* v. *Johns-Manville Corp.*, (CAFC Appeal No. 83-776; Slip opinion dated September 30, 1983); and *Hanson* v. *Alpine Valley Ski Area, Inc.*, (CAFC Appeal No. 83-586; Slip opinion dated October 6, 1983). The appeal pending before the CAFC is *Central Soya Co.* v. *Geo. A. Hormel & Co.*, (CAFC Appeal No. 83-978).[8]

In *Bandag*, suit for patent infringement was filed on August 6, 1980. A preliminary injunction against further infringement was entered on October 31, 1980, and a permanent injunction after trial on the validity and infringement issues was entered on August 3, 1981. That decision was appealed to the Court of Appeals for the Fourth Circuit and was affirmed by the Fourth Circuit on February 10, 1982. An unpublished decision on damages was rendered by the trial court on October 15, 1982. Faulting the trial court's assessment of damages, an appeal was taken to the CAFC on the damages decision. Apparently satisfied that it had jurisdiction, the CAFC reversed and remanded the trial court's decision on damages on April 18, 1983. Under the Fifth Circuit's view, because the "controlling issues" of

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[8] A Federal court, of course, has a duty, on motion or sua sponte, to determine the limits of its subject matter jurisdiction. Contrary to the information received by Plaintiffs/Appellees and quoted by Petitioners in Section I entitled "Statement of the Case," *supra* (recited as a preface to their brief to the Fifth Circuit), that the CAFC believes that the Fifth Circuit should retain jurisdiction, the CAFC, as indicated, has retained and exercised jurisdiction in four cases which, for jurisdictional purposes, are identical to Appeal No. 82-3619.

patent validity and infringement were decided by the Fourth Circuit, the CAFC was without subject matter jurisdiction to decide this appeal. Further, because the time for appeal to the CAFC has lapsed, the erroneous district court decision, applying the Fifth Circuit's analysis, must be permitted to stand.

Similarly, in *Lam*, the Court of Appeals for the Tenth Circuit had previously affirmed a decision by the district court for the District of Colorado finding a patent valid and infringed (668 F.2d 462 (10th Cir.), *cert. denied*, 456 U.S. 1007 (1982)), and in *Hanson*, the Court of Appeals for the Sixth Circuit had previously affirmed a decision by the district court for the Eastern District of Michigan finding a patent valid and infringed (611 F.2d 156 (6th Cir. 1979)). Upon review of the respective district court decisions assessing and awarding damages, the CAFC affirmed-in-part and reversed-in-part the decision in *Lam* and affirmed the decision in *Hanson*. As explained with *Bandag*, under the Fifth Circuit view, both of these CAFC decisions were void due to a lack of subject matter jurisdiction by the CAFC to consider these appeals.

The *Central Soya* appeal is presently pending before the CAFC. In that case, the first decision by the district court for the Western District of Oklahoma finding the patent valid and infringed was rendered in 1979 (reported at 205 USPQ 431) and affirmed by the Court of Appeals for the Tenth Circuit in 1981 (reported at 645 F.2d 847). The present appeal before the CAFC is seeking review of the district court's decision entered on April 8, 1983 assessing and awarding damages. As in the three cases decided by the CAFC and described above, if the Fifth Circuit's position is correct, then the CAFC has no jurisdiction to consider the appeal.

A similar bifurcated proceeding was involved in *Smith International, Inc.* v. *Hughes Tool Co.*, (CAFC Appeal No. 83-677; Slip opinion dated October 6, 1983). In *Smith*, the Court of Appeals for the Ninth Circuit reversed a decision by the district court for the Central District of California, and held that the patents in issue were valid and remanded for entry of

appropriate relief. On remand, Hughes moved for entry of judgment in its favor and a preliminary injunction on the basis that Smith had earlier admitted infringement. The district court, in an order dated October 6, 1982, refused to enter a preliminary injunction and Hughes appealed to the CAFC. Apparently satisfied that it had jurisdiction, the CAFC reversed the district court's decision with instructions to issue the preliminary injunction. Applying the Fifth Circuit's analysis, however, the CAFC was without jurisdiction to order this relief because the "controlling issue" of validity had been decided by the Ninth Circuit in an earlier appeal filed before the effective date of the 1982 Act.

Two other cases present similar questions. *Stevenson* v. *Sears, Roebuck & Co.*, 713 F.2d 705, 218 USPQ 969 (CAFC 1983); and *Mississippi Chemical Corp.* v. *Swift Agricultural Chemicals Corp.*, (CAFC Appeal No. 83-7661; Slip opinion dated September 23, 1983) are cases decided on appeal by the CAFC from district court decisions either granting or denying motions for summary judgment based upon collateral decisions rendered by regional circuit courts of appeals finding the patents in issue invalid. *See Blonder-Tongue Laboratories, Inc.* v. *University of Illinois Foundation*, 402 U.S. 313 (1971) (holding that once a patent is held invalid in one court after a full and fair opportunity to litigate validity, the patentee will be collaterally estopped from relitigating the validity issue). By definition, the "scope" of the prior decision is implicated in the collateral proceeding when determining whether to apply collateral estoppel. Under the Fifth Circuit's analysis, the CAFC would appear to be without jurisdiction to make this determination.

In both *Textron, Inc.* v. *Omark Industries, Inc.*, (CAFC Appeal No. 83-995) and *Piher International Corp.* v. *CTS Corp.*, (CAFC Appeal Nos. 83-2229, 1120, 1146, 1147), motions under FRCP Rule 60 to alter prior decisions rendered by district courts and affirmed by the Court of Appeals for the Ninth and Seventh Circuits, respectively, were denied by the district courts and have been appealed to the CAFC. In *Textron,*

the patent in issue was found valid and infringed and an injunction was granted by the district court for the District of Oregon on July 30, 1979. That prior decision was affirmed on appeal to the Ninth Circuit on September 27, 1982. Thereafter, the defendants filed a Rule 60 motion to reopen the earlier decision on validity and infringement due to newly discovered evidence. The same district court denied that motion on April 4, 1983 and appeal was taken to the CAFC. That appeal is presently pending. In *Piher*, a number of prior decisions have been rendered by the Seventh Circuit and are reported at 527 F.2d 45 (1975), 593 F.2d 777 (1979) and 644 F.2d 122 (1981). A FRCP Rule 60(b)(6) motion to modify a related district court decision was denied in *Piher* and an appeal from that denial is now pending before the CAFC. Certainly, in both instances, "controlling issues" have been decided by regional circuit courts and the "scope" of those decisions may be implicated during proceedings before the CAFC. Under the Fifth Circuit's approach, the CAFC would not have jurisdiction over either of these appeals.

Relying on an earlier decision by the Fifth Circuit in *Ziegler* v. *Phillips Petroleum Co.*, 483 F.2d 858, *cert. denied*, 414 U.S. 1079 (1973), holding a certain patent valid and infringed, two other district courts have found the same patent valid and infringed. In *Studiengesellschaft Kohle, mbH* v. *Dart Industries, Inc.*, (CAFC Appeal No. 83-591), the district court for the District of Delaware entered its decision on November 3, 1982. Appellant's brief at page 3 makes the following statement:

> "The record and history which has moved Dart to believe the Fifth Circuit's decision was wrong and to seek a judicial evaluation by this Court, are noted below."

From this statement, it is quite apparent that the scope of the earlier Fifth Circuit decision is in issue. In *Arco Polymers, Inc.* v. *Studiengesellschaft Kohle & Max-Planck Institut For Kohlenforschung*, (CAFC Appeal No. 83-642), the district court for the Eastern District of Pennsylvania granted summary judgment to the holders of the patent on the basis of res judicata, relying on the earlier Fifth Circuit decision since Arco had

purchased the infringing plant from Phillips Petroleum, whose operation at the plant had been held to infringe in the earlier Fifth Circuit decision. That decision based on res judicata has been appealed to the CAFC. The "scope" of that earlier Fifth Circuit decision will also be implicated by this appeal to the CAFC. In both instances, if the Fifth Circuit's position is correct, the CAFC is without jurisdiction to consider these appeals.

Finally, an appeal entitled *Catanzaro* v. *Hart Electronics Corp.*, (CAFC Appeal No. 83-653), was decided by the CAFC in an unpublished decision on August 15, 1983 affirming a decision on motion for summary judgment by the district court for the Middle District of Pennsylvania dismissing a suit for patent infringement. (A. 209) The district court held that in view of a Third Circuit decision entitled *Catanzaro* v. *Int'l Tel. & Tel.*, 575 F.2d 1085, 200 USPQ 10, *cert. denied*, 439 U.S. 989 (1978), holding that the patent was not infringed by production of a similar device, the patent was not infringed by the present defendants. Both of these cases had been transferred by the Judicial Panel on Multidistrict Litigation to the district court for the Southern District of New York for consolidated pretrial proceedings before a magistrate due to the similarity in the devices alleged to be infringed. Again, the "scope" of the Third Circuit's decision will be implicated and the Third Circuit decided the "controlling issue" of non-infringement. Under the Fifth Circuit's view, the CAFC was without jurisdiction to render this decision.

These cases referred to are only those that either have been published by the CAFC or have been brought to the attention of Petitioner's counsel. Due to the duration of patent infringement proceedings, it is not unreasonable to assume that many other cases will be similarly impacted by the Fifth Circuit's position.

F. Conclusion: The Fifth Circuit Does Not Have Jurisdiction

Pursuant to the implementing legislation, the effective date of the 1982 Act is October 1, 1982. All patent appeals pending prior to that date are to be decided by the respective regional

circuit court of appeals. *See*, § 403(e) of the 1982 Act. All patent appeals filed after that date are to be decided by the CAFC. *See* § 402 of the 1982 Act. Certainly, Congress, expressly stating an intention to avoid "ambiguities" and provide for the "orderly disposition of cases", did not intend a more complicated analysis in order to determine the effective date of the 1982 Act. The Fifth Circuit's approach is not only opposed to the plain meaning of the implementing legislation, but, contrary to the canon of strict construction of statutory jurisdiction, expands by judicial fiat the jurisdiction of the regional circuit court of appeals, and defeats the purpose of Congress to eliminate forum shopping and enhance the doctrinal stability of the patent laws. Accordingly, the CAFC, and not the Fifth Circuit, has exclusive jurisdiction over all patent appeals filed, as here, after October 1, 1982.

III.

THE FIFTH CIRCUIT SHOULD TRANSFER APPEAL NO. 82-3619 TO THE CAFC PURSUANT TO 28 U.S.C. § 1631

Petitioners' position that this appeal should be transferred to the CAFC is supported by the 1982 Act and recent caselaw interpreting and applying 28 U.S.C. § 1631 (1982). Prior to enactment of the 1982 Act, there was a split of authority in the circuit courts of appeals on the question of whether a court of appeals that did not have subject matter jurisdiction could transfer that appeal to the proper court of appeals that did have jurisdiction. Some cases determined that if the court of appeals did not have jurisdiction to consider an appeal, then it did not possess jurisdiction to transfer that appeal. *United States* v. *Wyatt*, 680 F.2d 1080, 1088 n. 11 (5th Cir. 1982) (no jurisdiction to transfer to TECA; appellant should have filed two notices of appeal); *Oltmann* v. *Mobil Oil Co.*, 673 F.2d 187, 188 (7th Cir. 1982) (if no jurisdiction to consider, then no jurisdiction to transfer to TECA); *Grand Blanc Education Assoc.* v. *Grand Blanc Board of Education*, 624 F.2d 47, 49 (6th Cir. 1980) (draws analogy to venue cases to deny transfer). Other circuit

courts of appeals held that they possessed inherent power to transfer an appeal even though they had no jurisdiction to consider that appeal. *Pearce* v. *Director, Office of Workers' Compensation Programs*, 603 F.2d 763, 771 (9th Cir. 1979) (even if the other court has exclusive jurisdiction to consider a case, this court possesses jurisdiction to transfer); *See Trans-State Dredging* v. *Tarner*, 695 F.2d 505, 506 (11th Cir. 1983) (finding specific authority to transfer in 28 U.S.C. § 1631, court notes that it need not rely on *Pearce* to justify transfer). However, this issue has been rendered moot with the passage of the 1982 Act. *American Beef Packers, Inc.* v. *Interstate Commerce Commission*, 711 F.2d 388, 390 (D.C. Cir. 1983) (specifically noting that prior to the 1982 Act, the proper course would have been dismissal). *Trans-State Dredging* v. *Tarner, supra*, 695 F.2d at 506.

Effective October 1, 1982, § 301 of the 1982 Act provides for enactment of a new statute, 28 U.S.C. § 1631, which expressly authorizes inter-court transfers between federal courts when the transferor court determines that there is a want of jurisdiction to consider the case. This statute provides:

> Transfer to cure want of jurisdiction.
>
> Whenever a civil action is filed in a court as defined in section 610 of this title or an appeal, including a petition for review of administrative action, is noticed for or filed with such a court and that court finds that there is a want of jurisdiction, the court shall, if it is in the interest of justice, transfer such action or appeal to any other such court in which the action or appeal could have been brought at the time it was filed or noticed, and the action or appeal shall proceed as if it had been filed in or noticed for the court to which it is transferred on the date upon which it was actually filed in or noticed for the court from which it is transferred.

Congress knew that jurisdictional problems had arisen from the creation of specialized federal courts such as the CAFC and provided a vehicle for resolving these problems in the form of the

latter statute.[9] This statute employed broad language to accommodate any such problem. The Senate Committee Report explains:

> TITLE III — JURISDICTION AND PROCEDURE
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> Transfer of Cases
>
> In recent years much confusion has been engendered by provisions of existing law that leave unclear which of two or more federal courts — including courts at both the trial and appellate level — have subject matter jurisdiction over

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[9] This new statute had its genesis in a concurring opinion written by Judge Leventhal of the District of Columbia Circuit Court of Appeals in *Investment Company Institute* v. *Board of Governors of the Federal Reserve System*, 551 F.2d 1270, 1283-84 (D.C. Cir. 1977). In this case, the court affirmed the district court's dismissal of an action seeking review of promulgation of an agency rule on the basis that original jurisdiction had been exclusively vested by statute with the court of appeals. Concurring, Judge Leventhal stated:

> I take advantage of the freedom of a concurring opinion to express the hope that the core problem will be dealt with in the reasonable future by the enactment of a general statute permitting transfer between district courts and courts of appeals in the interest of justice, including specifically but not exclusively those instances when complaints are filed in what later proves to be the "wrong" court.
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> * * * *
>
> The ambiguities that now abound, and have sometimes led to what has been described as "jurisdictional badminton," are not edifying. Realistically, some ambiguities are likely to persist. The only lawyer-like remedy today, as Judge McGowan points out, is double filing. That is hardly a model. Today's opinion crafts a solution that avoids hardship in the case at hand. A more direct and sweeping approach is eminently desirable and eminently timely.

As a result of this concurring opinion, Congressman Kastenmeier, Chairman, Subcommittee on Courts for the House of Representatives, corresponded with Judge Leventhal and between them, a transfer statute was proposed to Congress that was substantially the same as that which was later enacted as 28 U.S.C. § 1631 (1982). Hearings on Judicial Housekeeping Before the House Judiciary Subcommittee on Courts, Civil Liberties and the Administration of Justice, 95th Cong. 2d Sess. 372-90 (1978) (A. 189) *cited by* Senate Report No. 97-275, *Federal Courts Improvement Act of 1982*, 1982 U.S. Code Cong. & Adm. News 11, 21 (A. 107).

certain categories of civil actions. The problem has been particularly acute in the area of administrative law where misfilings and dual filings have become commonplace. The uncertainty in some statutes regarding which court has review authority creates an unnecessary risk that a litigant may find himself without a remedy because of a lawyer's error or a technicality of procedure.

At present, the litigant's main protective device, absent an adequate transfer statute, is the wasteful and costly one of filing in two or more courts at the same time. This puts increased burdens on the courts as well as on the parties.

Although most problems in this regard relate to controversies involving the district courts and the court of appeals, there also have been cases involving the Court of International Trade, and the Temporary Emergency Court of Appeals. Therefore, the language of Part A of Title III is broadly drafted to permit transfer between any two federal courts.

Senate Report No. 97-275, 97th Cong. 2d Sess., 1982 U.S. Code Cong. & Adm. News 11, 21 (A. 107).

Further, the jurisdictional section of the CAFC should be read with section 301 of the proposed legislation. This latter section allows any federal court which lacks jurisdiction over a matter to transfer the complaint or appeal to a proper court, in the same manner as if the complaint or appeal had been filed in that court in the first instance. This provision, therefore, will allow the CAFC to transfer cases to the proper circuit court, or vice versa.

Id. at 30 (A. 116).

Section 301. — Because of the complexity of the federal court system and of special jurisdictional provisions, a civil case may on occasion be mistakenly filed in a court — either trial or appellate — that does not have jurisdiction. By the time the error is discovered, the statute of limitations or a filing period may have expired. Moreover, additional expense is occasioned by having to file the case anew in the proper court.

Section 301 adds a new chapter to title 28 that would authorize the court in which a case is improperly filed to

> transfer it to a court where subject matter jurisdiction is proper. The case would be treated by the transferee court as though it had been initially filed there on the date on which it was filed in the transferor court. The plaintiff will not have to pay any additional filing fees. This provision is broadly drafted to allow transfer between any two federal courts. Although most problems of misfiling have occurred in the district and circuit courts, others have occurred in the Court of International Trade and the Temporary Emergency Court of Appeals. Some others may occur in the Court of Appeals for the Federal Circuit. The broadly drafted provisions of section 301 will help avoid all of these situations.

Id. at 40 (A. 126).

A surprising number of cases have employed 28 U.S.C. § 1631 (1982) in the first year of its existence to transfer cases between federal courts. The cases that have considered Section 1631 have determined that this transfer statute is to be applied retroactively to pending cases. *Slatick* v. *Director, Office of Workers' Compensation Programs,* 698 F.2d 433, 434 (11th Cir. 1983); *Trans-State Dredging* v. *Tarner, supra,* 695 F.2d at 506. Further, a three-part test is mandated by the statute: first, the court where the action is originally filed must find that there is a want of jurisdiction; second, that court must determine whether a transfer would be in the interest of justice; and third, transfer must be made to a court in which the action could have originally been brought. *Hempstead County and Nevada County Project* v. *United States Environmental Protection Agency,* 700 F.2d 459, 462-63 (8th Cir. 1983). The courts which have refused to transfer have so refused because jurisdiction could not have been obtained if the action had originally been filed in the transferee court. *W. M. Schlosser Co.* v. *United States,* 705 F.2d 1336, 1339 (CAFC 1983).

Applying the three-part test to the facts of this case, it is apparent from the previous discussion that the Fifth Circuit does not have jurisdiction and that the CAFC has exclusive jurisdiction. Accordingly, the first and third portions of the three-part

test have been resolved. The only question that remains is whether transfer to the CAFC would be in the interest of justice. Both the legislative history and recent caselaw mandate a determination that transfer of Appeal No. 82-3619 to the CAFC is "in the interest of justice." The legislative history surrounding this precise phrase is sparse. However, when corresponding with Congress concerning the enactment of this statute, Judge Leventhal of the District of Columbia Circuit Court of Appeals explained that the purpose of the "interest of justice" language was to "guard against any vexatious or abusive misfiling."[10] Hearings on Judicial Housekeeping Before the House Judiciary Subcommittee on Courts, Civil Liberties and the Administration of Justice, 95th Cong. 2d Sess. p. 379 (1978) (A. 189) *cited by* Senate Report No. 97-275, 97th Cong. 2d Sess., 1982 U.S. Code Cong. & Adm. News 11, 21 (A. 107). Further, the portions of the Senate Report quoted above acknowledge that, on occasion, mistakes in filing are inevitable due to either ambiguities in the relevant statutes or attorney error and that this transfer statute is designed to alleviate the effects of these ambiguities and errors on a litigant's rights. To date, the cases utilizing Section 1631 have uniformly determined that transfer to another federal court was "in the interest of justice" for these precise reasons. *American Beef Packers, Inc.* v. *Interstate Commerce Commission, supra,* 711 F.2d at 390 (intervening deregulation may have caused confusion regarding proper forum for review); *Burgos* v. *Milton,* 709 F.2d 1, 3 (1st Cir. 1983); *Hempstead County and Nevada County Project* v. *United States Environmental Protection Agency, supra,* 700 F.2d at 463) (misfiling was based on good faith but incorrect reading of statute); *Slatick* v. *Director, Office of Worker's Compensation Programs, supra,* 698 F.2d at 434-35 (petitioner was misled by government regarding proper forum for filing); *Trans-State Dredging* v. *Tarner, supra,* 695 F.2d at 506 (remedial purpose of statute is best served by transfer); *Valentine Girards, Inc.* v. *United States Department of*

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[10] *See* note 9, *supra.*

Agriculture Farmers Home Administration, 566 F. Supp. 832, 934 (E.D. N.Y. 1983) (jurisdictional errors were inadvertent).

Due to the circumstances underlying Appeal No. 82-3619, transfer of that appeal to the CAFC is "in the interest of justice." Certainly, the Petitioners' notice of appeal did not specify the Fifth Circuit in order to abuse the judicial system. Instead, this was a good faith error on the part of Petitioners' prior counsel. As pointed out by counsel for Plaintiffs/Appellees in prefatory remarks to his brief to the Fifth Circuit, the CAFC had advised him that the Fifth Circuit had jurisdiction.[11] The CAFC has also advised counsel for Petitioners that the CAFC had, initially, given such advice informally to inquiring litigants. However, every federal court must on motion or sua sponte determine the limits of its own jurisdiction. As delineated earlier, in other cases the CAFC has accepted jurisdiction and decided appeals from district court decisions based on facts which, for purposes of jurisdiction, are identical to those underlying Appeal No. 82-3619.[12] Due to this confusion and contradiction, Petitioners' error was in good faith and not an attempt to abuse the judicial system. Other cases considering § 1631, such as the *American Beef*, *Hempstead County* and *Slatick* cases cited above, have determined that a transfer to the correct federal forum is in the interest of justice when the litigants have been given conflicting advice or were otherwise confused about the proper forum for review. Accordingly, due to the confusion surrounding the implementation of this new statutory scheme for patent appeals, the interests of justice would be served by transferring Appeal No. 82-3619 to the CAFC.

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[11] *See* Section I entitled "Statement of the Case," *supra*.

[12] *See* Section II.E. entitled "Adverse Impact on Pending and Decided Cases," *supra*.

IV.

WRITS OF MANDAMUS AND PROHIBITION SHOULD ISSUE TO REQUIRE THE FIFTH CIRCUIT TO TRANSFER APPEAL NO. 82-3619 TO THE CAFC AND REFRAIN FROM THE EXERCISE OF FURTHER JURISDICTION

It is well established that issuance of the common law writs authorized by The All Writs Act, 28 U.S.C. § 1651, may be granted or withheld in the sound discretion of the Court. *LaBuy* v. *Howes Leather Co.*, 352 U.S. 249, 255 (1957). However, it is equally well-established that the necessary writs will be granted as a matter of course if an inferior federal tribunal attempts to act beyond the scope of its authority granted by Congress. *DeBeers Consolidated Mines* v. *United States*, 325 U.S. 212, 217 (1945). In *DeBeers*, the Court stated that "when a court has no judicial power to do what it purports to do — when its action is not mere error but usurpation of power — the situation falls precisely within the allowable use of [28 U.S.C. § 1651]." *Id.* This has been characterized by the Court as the "traditional use of the writ," *viz*, "to confine an inferior court to a lawful exercise of its prescribed jurisdiction . . ." *Roche* v. *Evaporated Milk Assoc.*, 319 U.S. 21, 26 (1943).

In the past, the Supreme Court has approved the issuance of or issued necessary writs where denial of issuance of the writ would operate to "thwart the asserted purposes of Congress" to establish and vest with authority a tribunal with special expertise (*United States Alkali Export Assoc.* v. *United States*, 325 U.S. 196, 203 (1945) (district court cannot obtain jurisdiction over matter allocated by Congress to the Federal Trade Commission)), where a federal court attempts to exercise jurisdiction over matters allocated to another tribunal by Congress (*In re Skinner & Eddy Corp.*, 265 U.S. 86 (1924) (Court of Claims, by statute, cannot obtain jurisdiction over a matter earlier pending in a state court)), to correct a clear abuse of discretion

(*LaBuy* v. *Howes Leather Co.*, *supra*, 352 U.S. 249 (1957) (district court improperly transferred its functions to a master)), where the lower court's unauthorized order is "the first of its kind in any reported decision" (*Schlagenhauf* v. *Holder*, 379 U.S. 104 (1964) (requiring a litigant to submit to numerous mental and physical examinations was not permissible under facts)), and where the unauthorized action taken by the lower court was "one respecting a matter lying wholly outside the issues in the case" and no decision on the merits could "redress any injury done by the order" (*DeBeers Consolidated Mines* v. *United States*, *supra* 325 U.S. at 217).

The conduct of the Fifth Circuit falls squarely within the prohibitions of the precedents cited above. As Petitioners have established, the Fifth Circuit has no jurisdiction to consider this appeal. Exclusive jurisdiction over this appeal has been vested by Congress with the CAFC. To permit the Fifth Circuit to consider this appeal would "thwart the asserted purpose of Congress" to end forum shopping and establish uniformity in the patent laws and transgress the policies which Congress has sought to effectuate by vesting exclusive jurisdiction with the CAFC. *See United States Alkali Export Assoc.* v. *United States*, *supra*, 325 U.S. at 203-204; *In re Skinner & Eddy Corp.*, *supra*. Due to the number of cases that would be impacted by the Fifth Circuit's novel view of jurisdiction, as indicated above,[13] this decision has exceptional public importance and, as in *Schlagenhauf*, is the first decision of its kind on this issue. Further, as in the *DeBeers* case, the question of the Fifth Circuit's jurisdiction is wholly divorced from the merits of the case and any aspect of the trial court's opinion.

Accordingly, review by way of an extraordinary writ is amply justified by the authorities cited above and issuance of the requested writs is necessary to enable a proper review of the trial court's decision assessing and awarding damages for patent

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[13] *See* Section II.E. entitled "Adverse Impact on Pending and Decided Cases," *supra*.

infringement, to confine the Fifth Circuit to a lawful exercise of its jurisdiction, to enable the proper tribunal, the CAFC, to entertain Appeal No. 82-3619, to avoid a collateral, advisory and unnecessary decision on the merits by the Fifth Circuit and to implement the statutory scheme enacted by Congress. Absent transfer, Petitioners may be precluded from obtaining review of the trial court's damages decision due to a lack of jurisdiction by the Fifth Circuit and an inability at this date to file a timely notice of appeal to the CAFC. Thus, the appellate jurisdiction of both the CAFC and this Court will be frustrated by the Fifth Circuit's actions. Assuming that transfer after the Fifth Circuit renders a decision might be effected in some way (through petition for certiorari or otherwise), federal policy favors an immediate transfer to avoid a later decision by the correct tribunal, the CAFC, which may result in contradictory results on the same facts from sister circuit courts of appeals.

V.

CONCLUSION

Congress has established a new court, the CAFC, and granted that court exclusive jurisdiction over all patent appeals. 28 U.S.C. 1295 (1982). The CAFC was created to eliminate forum shopping and bring about uniformity of decision in patent cases. Continued decisions by regional circuit courts of appeal will defeat Congress' purpose. The triggering event for the CAFC's jurisdiction is the filing of a notice of appeal after October 1, 1982, the effective date of the 1982 Act. Regional circuit courts of appeals do not have jurisdiction to decide patent appeals filed after that date. Because the notice of appeal in Appeal No. 82-3619 was filed after October 1, 1982, the CAFC, and not the Fifth Circuit, has exclusive jurisdiction to consider this appeal.

Congress envisioned the possibility that with specialized federal courts, such as the CAFC, an appeal might be filed with the wrong court and enacted 28 U.S.C. § 1631 to resolve any such problems. Due to the confusion surrounding the implementation of the 1982 Act, Petitioners' error in naming the Fifth

Circuit in the notice of appeal instead of the CAFC was in good faith and not to abuse the judicial system. As a result, transfer to the CAFC is "in the interest of justice" for purposes of § 1631.

Contrary to Petitioners' motion, the Fifth Circuit has refused to relinquish control and transfer this appeal to the CAFC. Writs of mandamus and prohibition are the appropriate vehicles to confine lower federal tribunals to the limits of their statutory jurisdiction. Pursuant to this Court's authority under 28 U.S.C. § 1651, Petitioners respectfully request that this Court issue a writ of mandamus directing the Fifth Circuit to transfer Appeal No. 82-3619 to the CAFC, and a writ of prohibition directing the Fifth Circuit to refrain from the exercise of further jurisdiction over Appeal No. 82-3619.

Respectfully submitted,
BUTLER & BINION

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CERTIFICATE OF SERVICE

I certify that three true and correct copies of the foregoing Petition and Brief on Behalf of Petitioners have been forwarded by depositing the same with the United States Postal Service for delivery by first class mail on this .... day of ....., 1983, to all necessary parties to this proceeding, including the following:

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